

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
MIDLAND DIVISION

In re:	§	
	§	
Remnant Oil Company, LLC and	§	Case No. 19-70106
Remnant Oil Operating, LLC,	§	Case No. 19-70107
	§	
Debtors.	§	Chapter 7
	§	
	§	(Jointly Administered under
	§	Case No. 19-70106)

NOTICE OF DEFAULT

Pursuant to the Final Order authorizing Debtors to Obtain Secured Debtor-In-Possession Financing [Document Number 162] (the “**DIP Order**” herein incorporated by reference), Cibolo Energy Resources, LLC (the “**DIP Lender**”) provides this Notice of Default (“**Notice**”) and would respectfully show the Court as follows:

- 1) On or about July 16, 2019, Remnant Oil Company, LLC. and Remnant Oil Operating, LLC (collectively, the “**Debtors**”) filed their Chapter 11cases.
- 2) On or about April 14, 2020, the cases were converted to Chapter 7. Ronald Ingalls has been appointed as interim Chapter 7 trustee.
- 3) On or about September 25, 2019, the Court authorized the Debtors to obtain Secured Debtor-In-Possession financing.
- 4) The Debtors received the amount of \$750,000.00 as a Debtor-In-Possession loan from Colorado Waterston, LLC (“**Colorado Waterston**”). This transaction is referred to herein as the “**DIP Loan**.”

5) The DIP Lender subsequently purchased the DIP Loan from Colorado Waterston, thereby becoming the holder of the DIP Loan. As of this date, the DIP Lender still remains the holder.

6) The DIP Loan is currently in default. The Debtors and Colorado Waterson entered into a **“Debtor-In-Possession Loan and Security Agreement”** of which Section 8, “Events of Default” states in relevant part:

“Any one or more of the following events shall constitute an Event of default by Borrower under this Agreement:

8.1. Payment Default. Except to the extent the holder thereof would be stayed from exercising remedies as a result of the Cases, if Borrower fails to pay, when due, any of the Obligations;”

7) “Maturity Date” is defined in the Debtor-In-Possession Loan and Security Agreement as:

[t]he earlier of (i) the date which is ninety (90) days following the date of the first Advance. (ii) the consummation of a sale of all of the assets or a portion of the assets of the Borrower pursuant to Section 363 of the Bankruptcy Code or otherwise (including the Bankruptcy Sale); (iii) the effective date of a plan of reorganization or liquidation in the Cases; (iv) the date of filing or support by the Borrower of a plan of reorganization that does not provide for indefeasible payment in full in cash of all obligations owing hereunder; (v) entry of an order by the Bankruptcy Court converting the cases to a proceeding or proceedings under Chapter 7 of the Bankruptcy Code; (vi) entry of a final order by the Bankruptcy Court dismissing the Cases; or (vii) the date of termination of the DIP Loan Commitments and the acceleration of any outstanding extensions of credit under the Loans in accordance with the terms of this Agreement.

(Emphasis added).

8) Paragraph 14 of the DIP Order states in relevant part:

The DIP Lender and the Prepetition Lender may not repossess, foreclose or seize any DIP Collateral after maturity without delivering to the Debtor, the Office of the United States Trustee, and the Committee, and filing with the Bankruptcy Court, a notice of the occurrence of the Maturity Date.

DIP Order at ¶ 14.

9) The DIP Loan is currently under an Event of Default as no payments have been made.

10) The Maturity date of the DIP Loan has passed as of April 14, 2020, when the Cases were converted to Chapter 7.

11) This notice is being served concurrently to counsel to the Debtors, the counsel to the Committee of Unsecured Creditors and to the U.S. Trustee.

Dated this 26th day of June, 2020.

Respectfully submitted,

MARTINEC, WINN & VICKERS, P.C.

/s/ Joseph D. Martinec

Joseph D. Martinec

State Bar No. 13137500

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Attorney for Lender Cibolo Energy Resources, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing *Notice of Default* was served via the Court's CM/ECF notification system on all parties requesting notice on such system, and via email or United States First Class Mail on each of the following, as indicated, on June 26, 2020.

Ronald E Ingalls
PO Box 2867
Fredericksburg, TX 78624-1927
Trustee
(Via ECF)

Bethany D. Simmons
Loeb & Loeb, LLP
345 Park Avenue
New York, NY 10154
Attorneys for Debtor
(Via ECF)

Remnant Oil Company, LLC and
Remnant Oil Operating, LLC
6 Desta Dr #5100
Midland, TX 79705
Debtor
(Via First Class Mail)

Stephen W. Sather
Barron & Newburger, P.C.
7320 N MoPac Expy, Suite 400
Austin, TX 78731
Attorney for Trustee
(Via ECF)

James W. Rose, Jr.
Trial Attorney
U.S. Trustee
615 E. Houston, Rm. 533
San Antonio, TX 78205
(Via ECF)

Official Committee of Unsecured Creditors
Listed on the Attachment
(Via e-mail)

BRINKMAN PORTILLO RONK, APC
Daren R. Brinkman
9500 Ray White Road, 2nd Floor
Ft. Worth, TX 76244

Brinkman Portillo Ronk, APC
4333 Park Terrace Drive, Ste 205
Westlake Village, California 91361
Counsel for the Official Committee of
Unsecured Creditors of Remnant Oil
Company, LLC, et al.
(Via ECF)

/s/ Joseph D. Martinec
Joseph D. Martinec

UNITED STATES DEPARTMENT OF JUSTICE
 OFFICE OF THE UNITED STATES TRUSTEE
 HENRY G. HOBBS, JR.
 ACTING UNITED STATES TRUSTEE
 JAMES W. ROSE, JR.
 TRIAL ATTORNEY
 615 E. HOUSTON, RM. 533
 SAN ANTONIO, TX 78205
 Telephone: (210) 472-4640
 Facsimile: (210) 472-4649

UNITED STATES BANKRUPTCY COURT
 WESTERN DISTRICT OF TEXAS
 MIDLAND DIVISION

IN RE: §
 REMNANT OIL COMPANY, LLC, § CASE NO. 19-70106-TMD
 REMNANT OIL OPERATING, LLC, § CASE NO. 19-70107-TMD
 §
 §
 §
 § DEBTORS. § CHAPTER 11
 §
 § (JOINTLY ADMINISTERED UNDER
 § CASE NO. 19-70106-TMD)

NOTICE OF APPOINTMENT OF COMMITTEE OF UNSECURED CREDITORS

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Pursuant to § 1102(a)(1) and (b)(1) of the Bankruptcy Code, the United States Trustee hereby appoints the following eligible creditors of the above-named debtors to the Committee of Unsecured Creditors in these cases.

1. Kodiak Gas Services, LLC
 Contact: Kyle Boudousque
 15320 Highway 105 W., Suite 210
 Montgomery, TX 77356
 (936) 539-3300
 Email: Kyle.boudousque@kodiakgas.com

2. Precision Pump And Supply
Contact: Kendell Atkins
P.O. Box 115
Loco Hills, NM 88255
(575) 370-1393
Email: precisionpumpandsupply@gmail.com
3. Mesa Well Servicing, LP
Contact: Alan Claiborne
1437 E Street
Jourdanton, TX 78026
(830) 767-2036
Email: aclaiborne@mesasouthern.com
4. Alliance Well Service LLC
Contact: Tony Pennington
P.O. Box 1807
Artesia, NM 88210
(575) 616-1179
Email: tonyaltonpennington@hotmail.com
5. Art's Hot Oil Services LLC
Contact: Arturo Carrasco
P.O. Box 188
Lovington, NM 88260
(575) 602-1935
Email: artshotoil2@hotmail.com
6. Double R Transportation, LLC
Contact: Maria Alvarez
1006 East Kansas Ave.
Jal, NM 88252
(575) 395-2622
Email: double_r1964@yahoo.com

Respectfully submitted,

HENRY G. HOBBS, JR.
ACTING UNITED STATES TRUSTEE
Region 7
Southern and Western Districts of Texas

By: /s/ James W. Rose, Jr.

James W. Rose, Jr.
Trial Attorney
Texas Bar No. 17251900
615 E. Houston, Rm. 533
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(210) 472-4649 Fax
E-mail: james.rose@usdoj.gov

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Notice of Appointment of Committee of Unsecured Creditors has been served upon each member of the committee of unsecured creditors by United States mail, first class, postage pre-paid, at the addresses contained in the Notice of Appointment and/or by electronic means for all Pacer system participants on this the 7th day of August, 2019.

/s/ James W. Rose, Jr.
James W. Rose, Jr.
Trial Attorney